

ORIGINAL

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

RECEIVED
DEC 3 - 1996

Federal Communications Commission
Office of Secretary

In the Matter of

Billed Party Preference for
InterLATA 0+ Calls

)
)
)
)

CC Docket No. 92-77

DOCKET FILE COPY ORIGINAL

**REPLY COMMENTS OF
INTELLICALL, INC.**

INTELLICALL, INC.

B. Reid Presson
Intellicall, Inc.
2155 Chenault, Suite 410
Carrollton, Texas 75006

December 3, 1996

No. of Copies rec'd
List ABCDE

045

TABLE OF CONTENTS

I.	The Record Supports Intellicall's Assertion That The Commission's Proposed Rate Disclosure Requirements Are Impractical, Technically Infeasible, Operationally Burdensome, And Otherwise Costly.....	2
II.	The Commission Should Consider Less Burdensome Rate Disclosure Alternatives, Such As Those Proposed By Intellicall And Comptel.....	6
III.	Conclusion.....	8

SUMMARY

The record in this proceeding supports Intellicall's assertion that that proposed real-time rate disclosure requirement is impractical, technically infeasible, and otherwise insurmountably costly. Commenters agree that existing call processing systems, whether store-and-forward or network-based, are incapable of providing real-time rate disclosures. Modifying these systems to incorporate a real-time rating mechanism would not only be technically infeasible in most cases, but prohibitively costly in all cases. The Commission should follow the recommendation of Intellicall and other parties, and immediately cease further consideration of its proposal.

The Commission should reject any suggestion by the California Public Utilities Commission that existing sent-paid rating mechanisms can be modified to rate 0+ calls. These rating mechanisms in payphones are separate and distinct from each other. Similarly, the technologies to which One Call refers, are untested, technically inadequate, and unsuitable for real-time rate disclosures. More important, stripped of technical jargon, One Call's comments only support Intellicall's assertions that real-time exact rate disclosure requirements would be extremely costly and operationally impractical.

To the extent the Commission feels compelled to adopt a rate disclosure requirement, it should investigate other less burdensome alternatives. Intellicall continues to believe that the average- and maximum-rate-based disclosure alternatives it

has previously proposed are reasonable options. Similarly, CompTel's recently proposed audible disclosure alternative would, on its face, appear to be a reasonable option, although Intellicall still has to fully evaluate its applicability. The Commission should, at a minimum, conduct a further study of this proposed alternative to, among other things, determine its technical and implementation ramifications. If the Commission should adopt CompTel's proposal, the Commission should, as CompTel suggests, permit carriers to choose the option that meets their particular needs.

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Billed Party Preference for)	CC Docket No. 92-77
InterLATA 0+ Calls)	

To the Commission:

**REPLY COMMENTS OF
INTELLICALL, INC.**

INTELLICALL, INC. ("Intellicall") hereby submits its Reply Comments ("Reply") in response to the Federal Communications Commission's (the "Commission") request for further comments in this proceeding.¹ In this Reply, Intellicall reiterates its previous assertion, which clearly has significant support in the record, that the Commission's proposed audible, real-time exact rate disclosure requirement is impractical, technically infeasible, operationally burdensome, and costly. Intellicall further submits that other less burdensome alternatives are available, including those previously proposed

¹ Public Notice, DA 96-1695 (Oct. 10, 1996).

by Intellicall,² which adequately address the Commission's consumer protection concerns. CompTel's most recent proposal, which would require operator service providers ("OSPs") to provide, upon request, an audible disclosure prior to the customer incurring any charges,³ may be another reasonable alternative to the extent it is competitively neutral and less burdensome to OSPs.⁴

I. THE RECORD SUPPORTS INTELICALL'S ASSERTION THAT THE COMMISSION'S PROPOSED RATE DISCLOSURE REQUIREMENTS ARE IMPRACTICAL, TECHNICALLY INFEASIBLE, OPERATIONALLY BURDENSOME, AND OTHERWISE COSTLY.

A significant number of commenters continue to support Intellicall's assertions and oppose the Commission's proposed mandatory, real-time (on-demand), exact audible rate disclosure requirement on the grounds that, among other things, the rate quote requirement is technically infeasible, burdensome, and extremely expensive to implement.

² See Comments of The Intellicall Companies, at 13-16; Joint Reply Comments of the Intellicall Companies and Network Operator Services, Inc., at 20-23.

³ See Comments of the Competitive Telecommunications Association, at 2-4.

⁴ As more fully discussed below, upon superficial analysis, CompTel's proposal would appear to reduce, but not eliminate, the costs of implementing a rate disclosure mechanism because it obviates the need for rate benchmark comparisons.

Several parties agree with Intellicall that the costs of implementing the proposed rate disclosure requirement would be prohibitive with respect to both store-and-forward and network-based payphones. APCC recognizes that "providing a complete set of rate tables for operator assisted calls within each payphone would place such huge demands on available memory capacity that the cost of such an implementation at store-and-forward payphones would be prohibitive for new phones as well as for the installed base."⁵ Similarly, CompTel asserts that because the operator services industry does not have the capability to provide real-time call rating to begin with, modifying existing call processing systems to provide real-time call rating would be "difficult and expensive," and is simply "inconsistent with store-and-forward call processing applications."⁶ Amnex persuasively demonstrates, as does CompTel, the technical and operational nightmares associated with implementing a real-time rating capability from existing payphones.⁷

Only two commenters support the Commission's rate quote requirement. The California Public Utilities Commission

⁵ Supplemental Comments of the American Public Communications Council, at 3-4.

⁶ Comments of CompTel, at 7-8.

⁷ See Comments of American Network Exchange, Inc., at 3-5. Amnex asserts that a real-time rating requirement would necessitate deploying processors costing hundreds of thousands of dollars, not to mention call delays, customer aggravation, and associated problems.

("CAPUC") erroneously asserts that the same capabilities used to provide call rating information for coin calls can be used for all 0+ calls.⁸ CAPUC plainly fails to appreciate the major technical distinctions between a sent-paid rating mechanism and a 0+ rating capability. As Intellicall has pointed out in its prior comments, existing coin rates cannot be used to appropriately rate 0+ calls. Indeed, because non-sent paid rate tables are not resident in the payphone, an entirely new set of comprehensive "look-up" rate tables would be required to rate 0+ calls with any degree of specificity on a real-time basis.⁹

One Call Communications, on the other hand, claims that its voice file and voice annunciator technologies are capable of providing on-demand call rating information. Intellicall submits that, while at first blush these technologies appear to be feasible, both of these technologies are nevertheless inadequate. More important, stripped of technical jargons and creative nomenclature, One Call's proposals only further support Intellicall's assertions that any real-time rating mechanism would be extremely expensive and operationally impractical.

With respect to the voice file technology, One Comm itself acknowledges that the technology is "limited in its application"

⁸ See Further Comments of the People of California and the Public Utilities Commission of the State of California, at 3-4.

⁹ See Comments of The Intellicall Companies, at 10-11.

in light of the rating complexities of most OSP systems. More particularly, this technology works for "simple rating systems which are not subject to mileage or time of day sensitivity."¹⁰ Given this significant limitation, One Call's voice file technology cannot be used to accurately rate 0+ calls.

One Call's voice annunciator technology, on the other hand, requires both potentially costly and resource-intensive "software development and hardware implementation." One Call estimates that it will take approximately two man years to implement such a system. More important, in light of the fact that this system has not been used previously to provide real-time call rating information, there is no guarantee that the system would work.¹¹

Given the technical "unknowns" and limitations of these technologies, particularly in light of the fact that they have not been utilized for real-time rating purposes previously, adopting rate disclosure requirements based on the existence of either one would be extremely reckless and short-sighted. The Commission cannot, and should not, impose a requirement based upon untested technologies and the unsubstantiated representations of an interested party.

¹⁰ Further Comments of One Call Communications, Inc., at 2.

¹¹ One Call's describes the proposed technologies as "fairly mature." By any standard, it simply would be ludicrous to impose a very costly requirement based upon "fairly mature" technologies.

II. THE COMMISSION SHOULD CONSIDER LESS BURDENSOME RATE DISCLOSURE ALTERNATIVES, SUCH AS THOSE PROPOSED BY INTELlicall AND COMPTel.

Intellicall resubmits that other less burdensome rate disclosure alternatives are available if the Commission feels compelled to impose a rate disclosure requirement. As Intellicall has previously suggested, the Commission could, for example, require OSPs to disclose the highest amount for a seven-minute call.¹² Similarly, CompTel's most recent rate disclosure proposal appears to be reasonable, although Intellicall has not fully studied it.

CompTel proposes that all carriers be required to provide an audible disclosure, immediately after the carrier brand and prior to the customer incurring any charges. This disclosure would inform price-sensitive customers of the actions they may take to obtain a rate quote, without having to hang up and dial a different number.

CompTel's proposal appears to be reasonable in several respects. The requirement would apply to all carriers of interstate operator-assisted calls and, hence, would appear to be competitively neutral. One of the major concerns with the Commission's proposed rate disclosure requirement is that it effectively creates "classes" of OSPs. CompTel's proposal avoids stigmatizing smaller OSPs.

¹² See Joint Reply Comments of The Intellicall Companies and Network Operator Services, Inc., at 20-21.

Although CompTel's proposal would still necessitate the development and deployment of an expensive on-line rating mechanism in order to disclose rates on demand, it would not require the OSP to develop and maintain voluminous and complex rating tables for purposes of rate benchmark comparisons that would trigger the rate disclosure. Thus, this would appear to alleviate, but not completely eliminate, the requirement to maintain the same rating information in store-and-forward phones.

Finally, CompTel's proposal obviates the need to constantly update the rate benchmark tables resident within the payphones to match Sprint, MCI's, and AT&T's rate changes, particularly in light of the "dominant" interexchange carriers' recent rate increases.¹³

The Commission should, at a minimum, conduct a further study of CompTel's proposal so that its technical and implementation ramifications can be fully understood by the affected parties. If the Commission should adopt CompTel's disclosure alternative, Intellicall agrees with CompTel that the Commission should allow carriers to choose the disclosure option¹⁴ which is consistent

¹³ Recent reports indicate that AT&T's latest increases, effective December 1, 1996, amount to 5.9% on interstate calls, 5% on calling card calls, and 2.6% on operator-assisted calls. Similarly, MCI is increasing its rates by 5%, and Sprint has boosted its rates 2% since early November. See The Wall Street Journal, Nov. 29, 1996, at A3, col. 1.

¹⁴ CompTel recommends two disclosure options: one option would allow the caller to press a key to obtain rates; another
Continued on following page

with their call processing systems. This flexibility would permit OSPs to choose the alternative that best suits their particular needs and limitations.

CONCLUSION

The record in this proceeding demonstrates that the Commission's proposed real-time rate disclosure requirement is impractical, technically infeasible, insurmountably costly, and otherwise operationally burdensome. The Commission should follow the recommendation of Intellicall and other parties, and cease any further consideration of this proposed requirement.

Continued from previous page


option would simply require the caller to stay on the line. In any event, CompTel's proposal would not permit carriers to require a caller to redial a second number in order to obtain a rate quote.

Instead, the Commission should investigate other less burdensome alternatives, such as those proposed by Intellicall and CompTel.

Respectfully submitted,

INTELLICALL, INC.

By:


B. Reid Presson
Vice President

Intellicall, Inc.
2155 Chenault, Suite 410
Carrollton, Texas 75006

Dated: December 3, 1996

CERTIFICATE OF SERVICE

I hereby certify that I have caused a copy of the foregoing “**Reply Comments of Intellicall, Inc.**” to be served on this 3rd day of December, 1996, by U.S. mail, first class postage, upon the persons named on the attached list.

***Reed E. Hundt, Chairman
Federal Communications Commission
1919 M Street, N.W., Room 814
Washington, DC 20554**

***James H. Quello, Commissioner
Federal Communications Commission
1919 M Street, N.W., Room 802
Washington, DC 20554**

***Susan Ness, Commissioner
Federal Communications Commission
1919 M Street, N.W., Room 832
Washington, DC 20554**

***Rachelle B. Chong, Commissioner
Federal Communications Commission
1919 M Street, N.W., Room 844
Washington, DC 20554**

***John B. Muleta, Chief
Enforcement Division
Federal Communications Commission
2025 M Street, N.W., Room 6008
Washington, DC 20554**

***Michael Carowitz, Esq.
Enforcement Division
Federal Communications Commission
2025 M Street, N.W., Room 6008
Washington, DC 20554**

***Mary Beth Richards, Deputy Chief
Common Carrier Bureau
Federal Communications Commission
1919 M Street, N.W., Room 500
Washington, DC 20554**

***Adrian Auger, Esq.
Enforcement Division
Federal Communications Commission
2025 M Street, N.W., Room 6008
Washington, DC 20554**

**Glenn B. Manishin
Michael D. Specht, Senior Engineer
Blumenfeld & Cohen
1615 M Street, NW, Suite 700
Washington, DC 20036**

**Robert M. Lynch
Durward D. Dupre
J. Paul Walters, Jr.
Southwestern Bell Telephone Company
One Bell Center, Room 3520
St. Louis, MO 63101**

**Andrea M. Kelsey, Assistant Consumers' Counsel
Office of the Ohio Consumers' Counsel
77 South High Street, 15th Floor
Columbus, OH 43266-0550**

**Lucile M. Mates
Nancy C. Woolf
140 New Montgomery Street, Room 1523
San Francisco, CA 94105**

**Betty D. Montgomery, Duane W. Luckey
Ann E. Henkener
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, OH 43215-3793**

**David Cosson
Pamela Sowar Fusting
National Telephone Cooperative Association
2626 Pennsylvania Avenue, N.W.
Washington, DC 20037**

**John M. Goodman
Bell Atlantic Telephone Companies
1133 20th Street, N.W.
Washington, DC 20036**

**M. Robert Sutherland
Theodore R. Kingsley
BellSouth Corporation
1155 Peachtree Street, N.E.
Atlanta, GA 30309**

**William J. Balcerski
NYNEX Telephone Companies
1111 Westchester Avenue
White Plains, NY 10604**

**Kathryn Marie Krause
Dan L. Poole
US WEST, Inc.
1020 19th Street, N.W.
Washington, DC 20036**

**Gail L. Polivy
GTE Service Corporation
1850 M Street, NW, Suite 1200
Washington, DC 20036**

**Randall B. Lowe
Victoria A. Schlesinger
Piper & Marbury, LLP
1200 19th Street, NW
Washington, DC 20036**

**Leon M. Kestenbaum
Jay C. Keithley
H. Richard Juhnke
Sprint Corporation
1850 M Street, NW, 11th Floor
Washington, DC 20036**

**Michael W. Ward
John F. Ward, Jr.
Henry T. Kelly
O'Keefe, Ashenden, Lyons & Ward
30 N. LaSalle Street, Suite 4100
Chicago, IL 60602**

**Charles C. Hunter
Catherine M. Hannan
Hunter & Mow, PC
1620 I Street, NW, Suite 701
Washington, DC 20006**

**Tod Collett, President
Hotel Communications, Inc.
8828 Stemmons Freeway
Dallas, TX 75247**

**Charles H. Helein, Esq.
Helein & Associates, PC
8180 Greensboro Drive, Suite 700
McLean, VA 22102**

**Mitchell F. Brecher, Esq.
Fleischman & Walsh, LLP
1400 16th Street, NW
Washington, DC 20036**

**Albert H. Kramer
Robert F. Aldrich
Dickstein Shapiro Morin & Oshinsky LLP
2101 L Street, N.W.
Washington, D.C. 20037**

**C. Douglas McKeever, Vice President - Finance
Communications Central, Inc.
Invision Telecom, Inc.
1150 Northmeadow Parkway, Suite 118
Roswell, GA 30076**

**George F. Lebus, President
U.S. Osiris Corporation
8828 Stemmons Freeway, Suite 212
Dallas, TX 75247-3721**

**Amy Gross
American Network Exchange, Inc.
100 W. Lucerne Circle, Suite 100
Orlando, FL 32801**

**Richard H. Rubin
Mark C. Rosenblum
Peter H. Jacoby
AT&T Corporation
295 North Maple Avenue, Room 3252I3
Basking Ridge, NJ 07920**

**James B. Ramsay, Dep. Asst. General Counsel
National Assoc. of Regulatory Utility Comms.
1201 Constitution Avenue, NW, Suite 1102
Washington, DC 20423**

**Penny Ryder, Director
American Friends Service Committee
1414 Hill Street
Ann Arbor, MI 48104**

**Kirk Smith, President
Operator Service Company
5302 Avenue Q
Lubbock, TX 79412**

**Mary J. Sisak
Donald J. Elardo
MCI Telecommunications Corporation
1801 Pennsylvania Avenue, NW
Washington, DC 20006**

**Alan N. Baker
Ameritech
2000 West Ameritech Center Drive
Hoffman Estates, IL 60196**

**Christopher A. Holt
Mintz, Levin, Cohn, Ferris, Glovsky & Popeo, PC
701 Pennsylvania Avenue, NW, Suite 900
Washington, DC 20004-2608**

**Cheryl A. Tritt
Morrison & Foerster
2000 Pennsylvania Avenue, NW, Suite 5500
Washington, DC 20006-1888**

**Genevieve Morelli, Exec. VP & General Counsel
CompTel
1900 M Street, NW, Suite 800
Washington, DC 20036**

**Danny E. Adams, Steven A. Augustino
Kelley Drye & Warren, LLP
1200 19th Street, NW, Suite 500
Washington, DC 20036**

Richard Foley
801 Russell Road
Alexandria, VA 22031

Kenneth F. Melley, Jr., VP Regulatory Affairs
U.S. Long Distance, Inc.
9311 San Pedro, Suite 100
San Antonio, TX 78216

Ann Kutter, Deputy Executive Director
New York State Consumer Protection Board
5 Empire State Plaza, Suite 2101
Albany, NY 12223-1556

Peter Arth, Jr.
Edward W. O'Neill
Patrick S. Berdge
505 Van Ness Avenue
San Francisco, CA 94102

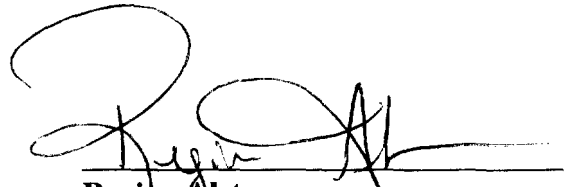
Arthur Cooper, President
AETEL
P.O. Box 391
Cedar Knolls, NJ 07927

Edward C. Addison
Division of Communications
VA State Corporation Commission
1300 East Main Street
P.O. Box 1197
Richmond, VA 23218

John Starrs, Assistant Counsel
Office of General Counsel
NY State Department of Public Service
Three Empire State Plaza
Albany, NY 12223-1350

International Transcription Service
Suite 140
2100 M Street, N.W.
Washington, D.C. 20037

*** Denotes delivery by hand.**



Regina Alston